

GENERAL SERVICES ADMINISTRATION

Public Buildings Service

Washington, DC 20405



APR 10 1968

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Chief
 Logistics Service
 Central Intelligence Agency
 Washington, DC 20505.

25 YEAR RE-REVIEW

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Dear [redacted]

In recent months General Services Administration (GSA) and Government Services, Inc. (GSI) have been concertedly working together to improve the overall services provided in food service contracts in the Washington metropolitan area. One of the areas where problems have surfaced is the buffets. GSA and GSI have been striving to eliminate operating losses in cafeterias, coffee shops, and buffets facilities in numerous locations. It has become mandatory to eliminate services which are nonessential and unprofitable in order that essential cafeteria services offering a variety of high quality food can be offered at reasonable prices.

When the buffets were first initiated, they were successful because of the relatively low food cost; however, as prices escalated in wholesale food and the cost of food preparation increased, it was mandatory to raise the prices in the buffets. It is also apparent that the same selection of food items is not being served in the buffets as it was in the past. Mainly because of this, the buffets popularity began to decline to the extent that it has reached a point of no return.

The patronage level required to make buffets viable is not being realized in any of our buildings in the Washington metropolitan area. This is especially true in your facility where the daily average patronage is 155 with average daily sales of \$314.51. Food, labor, and other costs on a daily average is \$399.12, resulting in an operating deficit of \$84.61. We are convinced that continuing the operation of the buffet would only add to the deficit that GSI has encountered.

This condition is not unique to the Central Intelligence Agency facility. GSA is initiating action to close all buffets that are unprofitable and unsuccessful. Recently we have closed buffets in FOB #9; Department of Housing and Urban Development; Geological Survey in Reston, Virginia; Department of Health, Education, and Welfare; Department of Defense (Forrestal Building); Federal Aeronautics Administration; and our own

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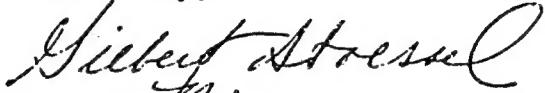
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GSA Executive Dining Rooms at 18th and F Streets and Regional Office Building, 7th and D Streets, SW. GSA, by closing its own facilities, is leading the way in a joint effort with GSI to close all non-viable food facilities which include buffets and executive dining rooms.

We are aware of the increased inconveniences this may cause your agency in closing the buffet, but it is not economical to continue this operation at a loss to GSI. For the aforementioned reasons, we are requesting your concurrence in alleviating GSI of this unprofitable situation. We have established a tentative closing date of April 30, 1976, pending your approval.

If there are any further questions on this matter, please do not hesitate to contact this office.

Sincerely,



ROBERT D. MARCUS
Director
Concessions Division